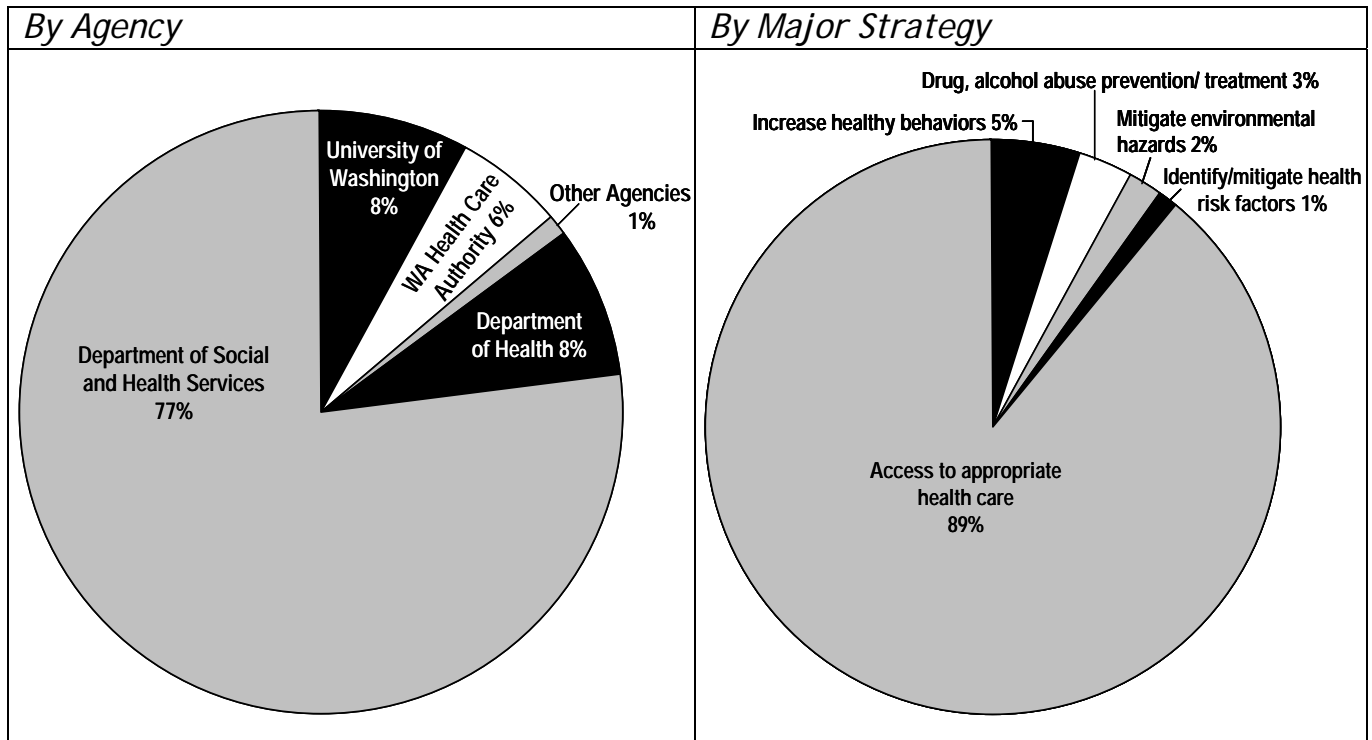


# GMAP Fiscal Report

## Health

Biennial Operating Budget = \$10.6 billion All Funds  
\$3.4 billion GFS

(Fund Sources: federal, dedicated funds, 32% GFS)



### Current Fiscal Status (Major Agencies)

July 2005 - May 2006 Expenditures

Dollars in Thousands

	Estimates-to-date	Actuals-to-date	Current Variance under/(over)	Prior Report
Department of Social and Health Services	7,779,414	7,653,348	1.6%	1.5%
Department of Health	390,219	347,100	→11.1%	→14.2
Health Care Authority	275,763	267,978	2.8%	3.4%

# GMAP Fiscal Report

## Health

### Current Fiscal Status (Selected Program Detail)

July 2005 - May 2006 Expenditures

Dollars in Thousands

	Estimates- to-date	Actuals- to-date	% Variance under/(over)	Prior Report
<b>Department of Social and Health Services—Medical Assistance Program</b>				
<b>Total Direct Program</b>				
	\$3,263,066	\$3,270,386	(.2)%	1.1%
<b>Total Administration</b>				
FTE Staff	1,106.2	1,021.8	7.6%	6.4%
	184,158	144,563	→21.5%	→22.7%
<b>Source of Funds</b>				
General Fund-State	1,340,548	1,342,626	(.1)%	(4.1)%
General Fund-Federal	1,799,673	1,773,128	1.5%	3.6%
General Fund-Private/Local	917	296	67.7%	65.7%
Health Services Account	299,211	292,026	2.6%	24.9%
Trauma Care System Account	6,874	6,874	0%	(1.1)%
<b>Program Total</b>	<b>3,447,224</b>	<b>3,414,949</b>	<b>.9%</b>	<b>2.3%</b>
<b>Department of Health</b>				
<b>Epidemiology, Health Statistics, and Public Health Laboratories</b>				
FTE Staff	239.2	223.3	6.3%	6.3%
	34,525	31,698	8.2%	9.9%
<b>Environmental Health</b>				
FTE Staff	289.9	280.5	3.2%	1.1%
	28,015	23,871	→14.8%	→14.0%
<b>Health Systems Quality Assurance</b>				
FTE Staff	377.5	367.4	2.7%	3.0%
	51,370	45,427	→11.6%	→14.0%
<b>Community and Family Health</b>				
FTE Staff	302.8	283.7	6.3%	3.4%
	258,919	232,271	→10.3%	→13.8%
<b>Administration</b>				
FTE Staff	178.2	184.6	(3.6)%	(5.4)%
	16,937	13,384	→21.0%	→30.1%
<b>State Board of Health</b>				
FTE Staff	5.6	5.5	1.8%	5.4%
	452	446	1.3%	(1.3)%
<b>Agency Total</b>	<b>390,219</b>	<b>347,100</b>	<b>→11.1</b>	<b>→14.2</b>

# GMAP Fiscal Report

## Health

	Estimates- to-date	Actuals- to-date	% Variance under/(over)	Prior Report
Health Care Authority				
Program Support				
FTE Staff	75.3	73.1	2.9%	3.1%
	11,790	8,231	→30.2%	→38.4%
Basic Health Plan Administration				
FTE Staff	113.2	99.1	12.5%	11.2%
	7,292	6,287	→13.8%	→13.3%
Community Health Services				
FTE Staff	4.1	4.0	2.4%	.1%
	8,872	8,582	3.3%	4.2%
PEBB Administration				
FTE Staff	42.0	36.2	13.8%	12.8%
	8,832	8,144	7.8%	7.0%
Uniform Medical Plan				
FTE Staff	25.7	21.9	14.8%	14.9%
	17,505	17,476	.2%	.5%
Health Care Policy				
FTE Staff	9.5	9.0	5.3%	6.3%
	1,365	1,157	→15.2%	→24.7%
Basic Health Plan Benefits				
	217,808	217,043	.4%	.6%
WSHIP Premium Discounts				
	262	191	27.3%	26.4%
Prescription Drug Program				
FTE Staff	4.4	3.7	15.9%	14.3%
	2,036	867	→57.4%	→40.9%
Agency Total	275,763	267,978	2.8%	3.4%

# *GMAP Fiscal Report*

## Health

### Key Fiscal Issues

#### Department of Social and Health Services—Medical Assistance Program

##### 2006 Supplemental Budget

Overall, the Medical Assistance Program's General Fund-State funding is reduced by 2.1 percent in the supplemental budget. Other Funds (federal, Health Services Account, and the Trauma Care System Account) have a net change of only 1/10<sup>th</sup> of a percent.

- (\$119) million General Fund-State for adjustments to caseload, utilization, and Part D Clawback funding.
- \$19.7 million General Fund-State for the Certified Public Expenditure program, to cover rising costs not covered by the federal government for participating hospitals.
- \$10.7 million General Fund-State and 8 FTEs to increase the number of children in the Children's Health Program.
- \$18 million General Fund-State was provided to pay the Medicare Part D drug co-pay on behalf of low-income elderly and disabled clients.
- Additional GF-State and Other Funds funding net to a small additional amount across a number of funding items.

##### Expenditure Trends **please update narrative in green**

Direct program expenditures are slightly overspent (.2 percent), so are very close.

**There is an upward trend in the hospital in-patient expenditures due to neonates (e.g. low birth weights) cases. Administrative expenditures are nearly 23 percent below estimates. This under-expenditure is because of delays in billings for charges from other agencies and local governments. DSHS-Medical Assistance is the state's Medicaid agency and draws the federal match on behalf of these other entities. As a result, General Fund-Federal dollars are underspent to-date.**

##### Agency Action Plan

**The administration is analyzing the neonates expenditures mentioned above, to determine the causes for this trend, which will help in the development of an appropriate action plan. Additionally, the Office of Inspector General (OIG) is performing their audit of the Alien Emergency Medical (AEM) program for expenditures that qualify for federal match. The report is expected by December 2006.**

#### Department of Health **please update narrative in green**

##### 2006 Supplemental Budget

The Department of Health's General Fund-State funding is increased by 4.2 percent in the supplemental budget. The various Other Funds used by DOH increase overall by 4.1 percent.

- \$2 million General Fund-State and \$7 million Federal is provided for Pandemic Flu Preparedness.
- \$1.4 million General Fund-State is provided to increase the number of low-income women who are screened for breast and cervical.
- \$1.1 million General Fund-State replaces fees from hospital revenues to fund the Comprehensive Hospital Accounting and Reporting System.
- Additional GF-State and Other Funds funding net to a small additional amount across a number of funding items.

# Health

### Expenditure Trends

At the agency level, expenditures are 11 percent below estimates. Large percentage under-expenditures are found in Environmental Health (14.8 percent underspent), Health Systems Quality Assurance (HSQA) (nearly 12 percent underspent), Community and Family Health (10.3 percent underspent), and Administration (21 percent underspent). The under-expenditures in all programs are primarily caused by to contract billing delays. A small part of the under spending in HSQA relates to hiring and staff retention challenges, which will be discussed further in the next GMAP Forum. The majority of the agency's move-related costs reflected in Administration are now expected in June rather than earlier in the year, as was assumed in the estimates.

### Agency Action Plan

No further action is needed at this time.

### Health Care Authority **please update narrative in green**

#### 2006 Supplemental Budget

Health Care Authority's budget (Other Funds) was increased by 3.3 percent in the 2006 supplemental budget.

- \$15 million Health Services Account and Basic Health Plan Trust Account and 6 FTEs are provided to enroll an additional 6,500 people in the Basic Health Plan.
- \$2 million Health Services Account is provided for a 26 percent increase to grants to community clinics that provide free and reduced-cost medical care to low-income clients.
- \$1.5 million Other Funds to increase access to affordable health care for low-income working families.
- \$1.2 million Other Funds and 4 FTEs are provided to study evidence-based purchasing methods and make recommendations to the state's major health care purchasers.
- Additional Other Funds funding net to a small additional amount across a number of funding items.

### Expenditure Trends

At the agency level, expenditures are only 2.8 percent below estimates. However, large percentage under-expenditures are found in:

- Program Support—30.2 percent. This under-spending is due almost entirely (99 percent) to delayed acquisition of the Benefits Administration and Insurance Accounting System project.
- Basic Health Plan Administration—13.8 percent. This under-spending is caused primarily by unanticipated vacancies, and by estimates for contracts and goods and services being programmed earlier in the biennium than spending is actually taking place.
- Health Care Policy—15.2 percent. This under-spending is due to vacancy savings and a delayed acquisition of a health care policy decision support tool.
- Prescription Drug Program—57.4 percent. This under-spending reflects the reduced expansion of the Preferred Drug List (PDL) and unrealized revenue in the Consortium

## *GMAP Fiscal Report*

# Health

project. The excess PDL funding was removed in the 2006 Supplemental and will soon be reflected in this program's estimates.

### Agency Action Plan

As evidenced by the HCA agency level variance of only 2.8 percent, the 2006 fiscal year allotments are fairly accurate at the aggregate but need refinement across the HCA's programs to reflect the agency's recent reorganization.

In addition, the HCA is currently planning an extensive recast of the 2007 fiscal year allotments where the agency leadership will make decisions regarding appropriate use of biennium-to-date under-expenditures. The majority of the HCA appropriation authority is not by fiscal year; thus, 2006 variance can be carried into the second fiscal year.